



SANDRA SHEWRY
Director

State of California—Health and Human Services Agency
Department of Health Services



ARNOLD SCHWARZENEGGER
Governor

CHIP Letter: 04-G-C
RHS Letter: 04-G-R
Date Issued: October 18, 2004

TO: CALIFORNIA HEALTHCARE FOR INDIGENTS PROGRAM (CHIP)/RURAL
HEALTH SERVICES (RHS) PROGRAM CONTACT

SUBJECT: FISCAL YEAR (FY) 2003-04 TRUST FUND GUIDELINES

Enclosed are the CHIP and RHS Program Trust/Special Revenue Fund Balance Report guidelines for FY 2003-04. Included are a complete set of forms and instructions for the Preliminary and Final Annual Trust Fund Reports. This information is also available on the Office of County Health Services' web site at:

http://www.dhs.ca.gov/hisp/ochs/chsu/CHIPRHS_County_Letters.htm

For FY 2003-04, each county is required to submit a Preliminary and Final Annual Report. The reports combine fiscal data and patient service cost/utilization data by subaccount. Please note that both reports include separate Financial Statements and Expenditure and Utilization Reports for the formula and discretionary allocation of the Noncounty Hospital Subaccount.

The Preliminary Annual Report includes disbursements for all patient services provided during the FY, from July 1, 2003, through June 30, 2004, and is due on November 15, 2004. Similarly, the Final Annual includes disbursements for all patient services provided during the FY, but it is due on April 15, 2005.

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The cutoff date for all county transactions included in the Final Annual report is March 15, 2005. In summary, the reports and their time frames are as follows:

<u>REPORT TYPE</u>	<u>REPORTING PERIOD</u>	<u>DUE DATE</u>	<u>CUT-OFF DATE</u>
Preliminary Annual	07/01/03 - 06/30/04	11/15/04	10/15/04
Final Annual	07/01/03 - 06/30/04	04/15/05	03/15/05

If you have any questions concerning the Trust/Special Revenue Fund Balance Report, please contact your County Health Services analyst at (916) 552-8016.

Sincerely,

ORIGINAL SIGNED BY NANCY HAYWARD

Nancy E. Hayward, Chief
Medically Indigent Services Section

Enclosures

cc: See Next Page

CHIP/RHS Contact

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cc: Mr. Gregory A. Franklin, M.H.A.
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County Auditor-Controller Contacts

Board of Supervisors Contacts

INSTRUCTIONS FOR COMPLETING THE

PRELIMINARY ANNUAL

TRUST/SPECIAL REVENUE FUND BALANCE REPORT FISCAL YEAR 2003-04

The purpose of the Preliminary Annual Report is to provide a status report to the State of how counties expend their California Healthcare for Indigents Program (CHIP)/Rural Health Services (RHS) Program funds on the medically indigent population. The information derived from the Preliminary Annual Report will be used to address policy questions related to indigent health care programs posed by legislative staff, state administrative officials, and representatives from provider organizations.

The Report will provide an accounting of income and disbursements by CHIP/RHS Program subaccounts, which includes a general display of expenditures and service utilization data. Since this is a preliminary report, the disbursement data does not have to exhibit a one-to-one correlation to the expenditure data. Thus, the county auditor-controller is only required to certify the Report's accuracy and that supporting documentation is available for review.

Please use the following outlined instructions when completing the Preliminary Annual Report:

I. FINANCIAL STATEMENT

A. BEGINNING BALANCE. The amount is the beginning balance of the Trust Fund for Fiscal Year (FY) 2003-04. The beginning balance must be zero.

B. INCOME

1. FUNDS RECEIVED PURSUANT TO SECTIONS 16931 and 16941 OF THE WELFARE AND INSTITUTIONS CODE. Total CHIP/RHS Program payments received for FY 2003-04.
2. INTEREST EARNED FY 2003-04. Interest earned and posted to the Fund for FY 2003-04 with a transaction cutoff date of October 15, 2004.
3. INTEREST CARRIED OVER FROM FY 2002-03. Interest carried over from the FY 2002-03 Trust Fund.
4. TOTAL INCOME. The sum of B1, B2, and B3.

C. DISBURSEMENTS

1. FUNDS DISBURSED FOR SERVICES. Disbursements for services provided from July 1, 2003, through June 30, 2004.

2. FUNDS DISBURSED FOR ADMINISTRATIVE COSTS. County administrative costs attributable to the administration of the CHIP or RHS Program for FY 2003-04.
 3. INTEREST TO BE TRANSFERRED TO FY 2004-05 TRUST FUND. Interest earned by the fund, but not spent during the FY. The amount can only be carried over to the FY 2004-05 account or subaccount and appropriated for expenditure.
 4. FUNDS DISBURSED FOR EQUIPMENT (Applies only to the Other Health Services Account). Funds disbursed for equipment must be consistent with FY 2003-04 CHIP/RHS Program Standard Agreement, which states that no more than five percent (5%) of the county's Other Health Services allocation or fifty-thousand dollars (\$50,000), whichever is greater, may be expended for equipment and fixed assets, and no single expenditure may exceed ten-thousand dollars (\$10,000).
 5. TOTAL DISBURSEMENTS. The sum of C1-C4 (depending on the account).
- D. MONIES RECOVERED BY THE TRUST FUND AND NOT DISBURSED. FY 2003-04 funds which were previously disbursed, recovered by the county, and not expended.
- E. ENDING BALANCE. Add the Beginning Balance to the Total Income, subtract the Total Disbursements, and add the Recovered Monies.
- II. CERTIFICATION. The Preliminary Annual Report requires signature by the county auditor-controller certifying the Report's accuracy and that supporting documentation is available for State review. Unlike the Final Annual, the Preliminary Annual Report does not require certification that the dollar amounts reported in the trust fund financial statement have been reconciled with the dollar amounts reported in the expenditure and utilization data submitted with the Report.

Click on hyperlink, below, for the Preliminary Annual Trust Fund Forms:

[FY 03-04 Preliminary Trust Fund Template](#)

INSTRUCTIONS FOR COMPLETING THE
FINAL ANNUAL
TRUST/SPECIAL REVENUE FUND BALANCE REPORT
FISCAL YEAR 2003-04

The purpose of the Final Annual Report is to provide a final accounting to the State of how counties expend their California Healthcare for Indigents Program (CHIP)/Rural Health Services (RHS) Program funds on the medically indigent population. The information derived from the report will be used to address policy questions related to indigent health care programs posed by legislative staff, state administrative officials, and representatives from provider organizations.

The Final Annual Report provides an accounting of income and disbursements by CHIP/RHS Program subaccounts, which includes a general display of expenditures and service utilization. The disbursement data reported must correspond to the expenditure data. The Report will also identify funds that must be returned to the State. In addition, the county auditor-controller must certify not only the accuracy of the Report, but that the dollar amounts reported reconcile with the dollar amounts reported in the expenditure and utilization data submitted with the Report.

Please use the following outlined instructions when completing the Final Annual Report:

I. FINANCIAL STATEMENT

A. BEGINNING BALANCE. This amount is the beginning balance of the Trust Fund for Fiscal Year (FY) 2003-04. The beginning balance must be zero.

B. INCOME

1. FUNDS RECEIVED PURSUANT TO SECTIONS 16931 AND 16941 OF THE WELFARE AND INSTITUTIONS CODE. The total CHIP/RHS Program payments received for FY 2003-04.
2. INTEREST EARNED FY 2003-04. Interest earned and posted to the Fund for FY 2003-04 with a transaction cutoff date of March 15, 2004.
3. INTEREST CARRIED OVER FROM FY 2002-03. Interest carried over from the FY 2002-03 Trust Fund.
4. TOTAL INCOME. The sum of B1, B2, and B3.

C. DISBURSEMENTS

1. FUNDS DISBURSED FOR SERVICES. Disbursements for services provided from July 1, 2003, through June 30, 2004.

2. FUNDS DISBURSED FOR ADMINISTRATIVE COSTS. County administrative costs attributable to the administration of the CHIP or RHS Program for FY 2003-04.
 3. INTEREST TO BE TRANSFERRED TO FY 2004-05 TRUST FUND. Interest earned by the fund, but not spent during the fiscal year. The amount can only be carried over to the FY 2004-05 account or subaccount and appropriated for expenditure.
 4. FUNDS DISBURSED FOR EQUIPMENT (Applies only to the Other Health Services Account). Funds disbursed for equipment must be consistent with the FY 2003-04 CHIP/RHS Program Standard Agreement, which states that no more than five percent (5%) of the county's Other Health Services allocation or fifty-thousand dollars (\$50,000), whichever is greater, may be expended for equipment and fixed assets, and no single expenditure may exceed ten-thousand dollars (\$10,000).
 5. TOTAL DISBURSEMENTS. The sum of C1-C4 (depending on the account).
- D. MONIES RECOVERED BY THE TRUST FUND AND NOT DISBURSED. FY 2003-04 funds previously disbursed, recovered by the county, and not expended.
- E. ENDING BALANCE. Add the Beginning Balance to the Total Income, subtract the Total Disbursements, and add the Recovered Monies.
- F. FUND CLOSED: AMOUNT RETURNED TO STATE. Funds not expended by the county and returned to or recouped by the State. All CHIP/RHS Program monies remaining in the Trust Fund after March 15, 2005, must be disencumbered and returned to the State.
- II. CERTIFICATION. The Final Annual Report requires signature by the county auditor-controller certifying the Report's accuracy, that supporting documentation is available for state review, and that the dollar amounts reported in the Final Annual Report have been reconciled with the dollar amounts reported in the expenditure and utilization data submitted with the report.

Click on hyperlink, below, for the Final Annual Trust Fund Forms:

[FY 03-04 Final Trust Fund Template](#)